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UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Marketing Administration
Washington, D. C.



January 1, 1943

ADMINISTRATIVE SERVICES DIVISION MEMORANDUM NO. 13

TO: Administrative Officers and Chiefs of Regional Administrative Services Divisions

FROM: F. J. Hughes, Chief, Administrative Services Division

SUBJECT: Contracts for Public Utility Services

SECTION I - GENERAL

- A. The purpose of this Memorandum is to provide procedure governing the negotiation of contracts covering public utility services, such as gas, electricity, water, and telephone, for the field offices only.
- B. Contracts for public utility services may remain effective for an indefinite period of time; that is, until terminated by either party upon giving proper notice in writing to the other. The rates are established by the controlling local body and formal competition is not required inasmuch as it would serve no useful purpose. Such contracts shall read "For the fiscal year ending June 30, 194_, and thereafter until further notice."
- C. The responsibility for handling all matters relating to public utility service contracts, including the execution thereof, is vested in the Chiefs of the Regional Administrative Services Divisions.
- D. The installation of complicated telephone wiring plans involving holding, intercommunicating or signalling features, should be restricted to cases of real necessity. Field offices desiring installations of complicated wiring plans should be required to submit for prior approval a satisfactory explanation as to the need for such equipment in the performance of their work as distinguished from mere convenience.
- E. A contract for gas, electricity, or water may not be executed if the lease for the quarters involved provides for such service. The Comptroller General has held that water furnished under a lease as a part of the rental consideration means water suitable for drinking purposes. If a lease covers the furnishing of electricity for lights and operation of ordinary office labor-saving devices only, a separate contract may be completed to cover electricity for operation of laboratory equipment.

SECTION II - GAS, ELECTRICITY, OR WATER SERVICE

- A. Preparation: U. S. Standard Form 33 (Revised) will be used and should be prepared with an original and five copies, along the line of the attached sample. Under the column headed "ARTICLES OR SERVICES" there has been indicated sample wording for gas service. The remaining two paragraphs should be worded as is except for changing the initial period to be covered by the contract.
- B. Opening Date: The time and date usually indicated in an invitation for opening of bids should not be filled in in the spaces for this purpose. The spaces should be filled in only as indicated in the sample.
- C. Execution: The proposed contract should be submitted to the company for execution by an official authorized to do so or who signs similar contracts with the public generally.

SECTION III - TELEPHONE SERVICE

- A. Preparation: U. S. Standard Form No. 40 (Revised) will be used and should be prepared with an original and five copies, along the line of the attached sample. An exact description of the services furnished must be given. This information should be obtained from, or filled in by, the telephone company. The date service begun, the installation or nonrecurring charge, rates, exchange, and telephone number are filled in by the telephone company.
- B. Directory Listing: The listing to appear in the local telephone directory should be indicated in the proper place on the contract. The following is an example of how the listing should appear in the directory:

U. S. GOVERNMENT
Agriculture, Department of
Food Distribution Administration
Livestock Branch
Market News & Meat Grading NO-2345
Packers & Stockyards NO-6789

The directory listing should not be broken down below the branch or staff division level, except when there is more than one local office of the same branch or staff division and they are located in different buildings or have separate telephone numbers. No listing of a Government telephone may be made in the name of an employee or other than under "U. S. GOVERNMENT." For further information relative to telephone directory listings, see Paragraph 1675 of the Department Regulations.

- C. Date of Execution: The date on which the contract is executed by the Chief of a Regional Administrative Services Division should be inserted at the proper place unless it has already been filled in by the contractor.

- D. Signature by Telephone Company: The official signing for the telephone company need sign the original and first copy only, but the remaining four copies should be conformed by typing or stamping in the signature.
- E. Execution by the Government: The Chief of the Regional Administrative Services Division concerned should sign the same two copies manually executed by the telephone company. The remaining four copies may be signed or conformed.

SECTION IV - CHANGE, INCREASE, OR DECREASE IN TELEPHONE SERVICE

- A. Supplement: A supplement to the original contract must be prepared and submitted promptly to cover each change, increase, or decrease in telephone service, including change in rates, moves, and discontinuances of service. Any changes, whether increases, decreases, or otherwise, made on the same day may be covered by a single supplement.
- B. Preparation: The supplement should be prepared along the general lines of the original contract, but only the change, increase or decrease in service should be shown under "DESCRIPTION OF SERVICE." The information required as to the contract which the supplement covers should be indicated in the proper place. If it covers the discontinuance of service, the words "Service begun" should be changed to "Service discontinued." The schedule of "Monthly Rate" in the lower left hand corner should accurately reflect the current monthly charges.
- C. Execution: The execution of supplements should be handled in the same manner as in the case of the initial contract.

SECTION V - SUPERSEDING CONTRACTS FOR TELEPHONE SERVICE

- A. Move to Another Building, Involving Change of Number: If the telephone number is changed as the result of moving to another building, a new contract should be executed rather than supplementing the existing contract. A supplement terminating the existing contract should, of course, also be completed.
- B. Numerous Supplements: When a contract with numerous supplements has become so voluminous as to necessitate undue time in auditing of the monthly billings, a new contract may be completed. The old contract should be terminated in its entirety by completion of a supplement thereto.

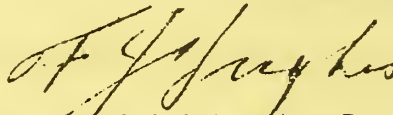
SECTION VI - NUMBERING

- A. All contracts for public utility services must be numbered in accordance with instructions issued by the Fiscal Branch.

SECTION VII - DISTRIBUTION

- A. When the contract has been executed on the part of the Government and

numbered, the original (ribbon) and one copy will be routed to the Regional Fiscal Division. The signed carbon copy will be transmitted to the contractor, one copy each will be forwarded to the field office involved and the Procurement Section, Administrative Services Division, in Washington, and the other copy will be retained by the Regional Administrative Services Division.



Chief, Administrative Services Division

INSTRUCTIONS

1. General.

(a) This form will be used, with the exception of the Army, Navy, and Coast Guard, in ordering telephone service within the United States except in the District of Columbia.

(b) Original of form and copies as required will be prepared and executed on behalf of the United States. If form covers orders in connection with existing service, such as additions, discontinuances, changes, etc., the number and date of execution of the existing contract which the new form supplements or affects and the existing telephone number will be entered in the spaces provided.

(c) The telephone company receiving the form will, upon completion of the work involved, fill in spaces indicated and return all copies, signed by its authorized agent, with the exception of one copy which the telephone company will retain for its files.

2. Exchange Service.

(a) Every quantity of exchange service with which a specific charge is associated by the contractor shall appear as a separate item in the contract.

(b) The wording of each item shall fully identify the service quantity for which a charge is made. Contracts including unit quantities shall specify the number of units of each kind and the charge per unit.

(c) Each contract charge shall be so specified as to clearly show whether it is a monthly charge, or a nonrecurring charge such as a service connection, installation or other flat charge.

(d) Where any supplementary addition to, discontinuance of, or change in any existing service is required by the subscriber, the additional, discontinued or changed item or items shall be covered by a supplemental agreement executed on a separate Standard Form No. 40.

3. Abbreviated Wording.

In making the contract, the words used to identify service to be rendered may be abbreviated, but—

(a) Service quantities which according to the tariffs of the contractor are subject to different individual charges shall not be consolidated into one item, and

(b) No specification necessary to full identification and checking of any charge shall be omitted.

4. Toll Service.

Charges for toll service shall not be set forth in this contract, but such charges shall be quoted at any time on request of the subscriber or any representative thereof, so as to indicate clearly in each case—

(1) Type of call to be handled.

(2) Initial rate and period.

(3) Overtime rate and period.

(4) Hours, if limited, within which the quoted rates apply.

No error in any such quotations shall affect the billing and payment of the correct charges for any service rendered.

5. Authority for Changes in Charges and General Changes.

If changes are approved or ordered by any legally constituted authority having jurisdiction, or otherwise lawfully established by the contractor, which affect the charges for exchange service, or any of the terms of an existing contract or of these instructions, the subscriber shall be notified thereof by the contractor promptly in writing, and requested to prepare and forward to the contractor signed Standard Form No. 40, covering the change involved. The notice of the contractor shall state the telephone involved, the authority for the change, the date effective, the charge or provision of the contract or instructions affected, and the new charge or requirement.

6. Duration of Contract.

Where the term of the contract is to be limited to the fiscal year, the words "and thereafter until further notice", appearing at the top of the form, should be deleted.

INVITATION, BID, AND ACCEPTANCE

(SHORT FORM CONTRACT)

Invitation No. _____

Contract No. _____

GRAIN, FEED,

U.S. DEPARTMENT OF AGRICULTURE, AGRICULTURAL MARKETING ADMINISTRATION & SEED BRANCH

(Department or establishment)
425 Academy Building, 222 Franklin Street, Chicago, Illinois

(Office or station)
June 1, 1943

(Address)

(Date)

INVITATION

Sealed bids, in sextuplet subject to the conditions on the reverse hereof, will be received at this office until _____ o'clock _____ m., _____, and then publicly opened, for furnishing the following supplies, and/or services, for delivery at Chicago, Illinois

John D. Doe

Grain Supervisor

(Name)

(Title)

ITEM No.	ARTICLES OR SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT	
					Dollars	Cents
	For furnishing natural gas for operating the two moisture testers located at the above address.					
	Contract to cover the period from July 1, 1943 to June 30, 1944, inclusive, and thereafter until further notice unless the Government signifies its desire by written notice fifteen days in advance to terminate the contract, which notice may be given by the local representative of the Grain, Feed and Seed Branch.					
	Payment to be made at the end of each month or quarter (optionally with contractor) after service has been rendered and properly certified voucher submitted.					

BID

In compliance with the above invitation for bids, and subject to all the conditions thereof, the undersigned offers, and agrees, if this bid be accepted within _____ calendar days from the date of the opening, to furnish any or all of the items upon which prices are quoted, at the price set opposite each item, delivered at the point(s) as specified and, unless otherwise specified within _____ calendar days after receipt of order.

Discounts will be allowed for payment as follows: _____ percent 10 calendar days; _____ percent 20 calendar days; _____ percent 30 calendar days.

Bidder _____ Address _____

By _____ Title _____
(Signature of person authorized to sign this bid)

ACCEPTANCE BY THE GOVERNMENT

(Date)

Accepted as to items numbered _____

Name _____ Title _____

CONDITIONS

1. The Government reserves the right to reject any or all bids, to waive any informality in bids and, unless otherwise specified by the Government or by the bidder, to accept any item in the bid. In case of error in the extension of prices in the bid, the unit prices will govern.

2. Time, in connection with discount offered, will be computed from date of the delivery of the supplies to carrier when final inspection and acceptance are at point of origin, or from date of delivery at destination or port of embarkation when final inspection and acceptance are at those points, or from date correct bill or voucher properly certified by the contractor is received if the latter date is later than the date of delivery.

3. In case of default of the contractor, the Government may procure the articles or services from other sources and hold the contractor responsible for any excess cost occasioned thereby: *Provided*, That if public necessity requires the use of materials or supplies not conforming to the specifications they may be accepted and payment therefor shall be made at a proper reduction in price.

4. If the contractor refuses or fails to make deliveries of the materials or supplies within the time specified, or any extension thereof, the Government may by written notice terminate the right of the contractor to proceed with deliveries or such part or parts thereof as to which there has been delay. In such event, the Government may purchase similar materials or supplies in the open market or secure the manufacture and delivery of the materials and supplies by contract or otherwise, and the contractor and his sureties (if any) shall be liable to the Government for any excess cost occasioned the Government thereby: *Provided*, That the contractor shall not be charged with any excess cost occasioned the Government by the purchase of materials or supplies in the open market or under other contracts when the delay of the contractor in making deliveries is due to unforeseeable causes beyond the control and without the fault or negligence of the contractor, including, but not restricted to, acts of God or of the public enemy, acts of the Government, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, unusually severe weather, and delays of a subcontractor due to such causes unless the contracting officer shall determine that the materials or supplies to be furnished under the subcontract are procurable in the open market, if the contractor shall notify the contracting officer in writing of the cause of any

such delay, within 10 days from the beginning thereof, or within such further period as the contracting officer shall, with the approval of the head of the department or his duly authorized representative, prior to the date of final settlement of the contract, grant for the giving of such notice. The contracting officer shall then ascertain the facts and extent of delay, and his findings of fact thereon shall be final and conclusive on the parties hereto, subject only to appeal within 30 days by the contractor to the head of the department concerned or his duly authorized representative, whose decision on such appeal as to the facts of delay shall be final and conclusive, on the parties hereto. As used herein "head of the department" means the head or any assistant head of the executive department or independent establishment involved, and "his duly authorized representative" means any person authorized to act for him other than the contracting officer; and the term "contracting officer" shall include his duly appointed successor or his authorized representative.

5. No Member of or Delegate to Congress, or Resident Commissioner, shall be admitted to any share or part of this contract or to any benefit that may arise therefrom unless it be made with a corporation for its general benefit.

6. Prices bid herein include any Federal tax heretofore imposed by the Congress which is applicable to the material on this bid. If any sales tax, processing tax, adjustment charge, or other taxes or charges are imposed or changed by the Congress after the date set for the opening of this bid, and made applicable directly upon the production, manufacture, or sale of the supplies covered by this bid, and are paid by the contractor on the articles or supplies herein contracted for, then the prices named in this bid will be increased or decreased accordingly, and any amount due the contractor as a result of such change will be charged to the Government and entered on vouchers (or invoices) as separate items.

7. Unless otherwise specified by the bidder, it is understood and agreed that only such unmanufactured articles, materials, and supplies as have been mined or produced in the United States, and only such manufactured articles, materials, and supplies as have been manufactured in the United States substantially all from articles, materials, or supplies mined, produced, or manufactured, as the case may be, in the United States shall be delivered pursuant to a contract awarded as a result of this bid.

INSTRUCTIONS TO BIDDERS

1. Samples of items, when required, must be furnished, free of expense, prior to the opening of bids, and, if not destroyed, will, upon request, be returned at the bidder's expense.

2. Prices should be stated in units of quantity specified, with packing included.

3. Time of proposed delivery must be stated in definite terms. If time varies for different items the bidder shall so state.

4. Envelops containing bids must be sealed and marked on the upper left-hand corner with the name and address of the bidder and the date and hour of opening, and addressed as instructed.

5. For further instructions read U. S. Standard Form 22 (Instructions to Bidders).

INSTRUCTIONS TO CONTRACTING OFFICERS

1. If shipment is made by Government bill of lading, observe consolidated classification requirements so as to secure the lowest rate applicable.

2. Although this form meets the requirements of a formal contract (R. S. 3744), if the execution of a formal contract with bond is contemplated U. S. Standard Forms 31 and 32 should be used.

3. If there is not sufficient space on the schedule to list all of the items, insert at the bottom of the schedule "Continued on ----- sheets of U. S. Standard Form 36", and use that form also.

4. If it is definitely known that final acceptance cannot be accomplished within 10 or 20 days from date of delivery due to necessity for tests or analyses which cannot be accomplished within that time, delete, before issuance, the discount provision relating to 10 calendar days or to both 10 and 20

calendar days. The provision relating to discounts may also be deleted when funds do not become available so that payment may be made within such time limits.

5. If the contract is likely to involve patent liability, the article on patents as contained in U. S. Standard Form 32 should be used.

6. If the contract provides for liquidated damages, the above Condition No. 4 should be deleted and there should be substituted therefor the article entitled "Delays—Liquidated Damages", quoted in Paragraph 5 of the directions on page 6, U. S. Standard Form 32, modified as follows: Delete "in Article 1", line 2, and if no bond is required, delete "and his sureties", lines 6 and 10; add the last sentence (definitions) of the above Condition No. 4.